

## FISCAL AUDIT GUIDELINES FOR COUNTY CHILDREN AND FAMILIES COMMISSIONS

FISCAL YEAR 2005/06: JULY 1, 2005 THROUGH JUNE 30, 2006

### (A) AUDIT REQUIREMENTS

Each Children and Families County Commission shall submit to First 5 California by November 1 of each year, an audit of the required financial statements, and a review of County Commission's management of its funds and fiscal compliance with applicable policies, laws, regulations, and program requirements.

The audit shall be performed in accordance with Generally Accepted Auditing Standards, as promulgated by the American Institute of Certified Public Accountants, and Generally Accepted Governmental Auditing Standards issued by the General Accounting Office and Comptroller General of the United States of America.

An independent separate third party including either a private professional concern or a separate governmental agency or office shall perform the audit. The auditor selected shall be someone who is qualified and fully cognizant of the policies, laws and regulations of the County Commission. (Note: the county office of the auditor-controller who meets the qualifications as noted above and who is independent from the County Commission may perform the audit).

1. The auditor shall audit the financial statements and render an opinion as to the fairness of the presentation of the financial statements in conformity with accounting principals generally accepted in the United States of America.
2. The auditor shall review and provide a written report on internal controls and fiscal compliance of the County Commission as follows:
  - (a) The auditor shall evaluate internal controls to ascertain whether the administrative and accounting system established ensures reasonable assurance to provide reliable and accurate information and maintain compliance with policies, laws, and regulations.
  - (b) The auditor shall evaluate, as part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatements, the County's Commission management of its funds and fiscal compliance with applicable policies, laws, and regulations.

(B) FINANCIAL STATEMENTS REQUIREMENTS

By November 1 of each year, each County Commission that receives funds from First 5 California shall submit audited financial statements in conformity with accounting principals generally accepted in the United States of America.

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(C) SUPPLEMENTARY REQUIRED INFORMATION

1. County Commissions that receive funds from First 5 California shall submit a summary of Expenditures by Fund Source and Net Assets of First 5 California Funds for each program or activity. This summary shall include:

- Revenue of First 5 California funds per program or activity,
- Expenditures of First 5 California and other local cash matching funds (County Commission and local funds) per program or activity, and
- Net assets of First 5 California funds per program or activity at the end of the fiscal year.

An example of this summary is shown in ATTACHMENT 1.

2. Each County Commission shall issue a statement certifying that First 5 California funds have been used only to supplement existing levels of service and not to supplant state or local General Fund money for any purpose (Section 30131.4 of the Revenue and Taxation Code).

EXAMPLE

ATTACHMENT 1

**First 5 Commission**  
**Expenditures by Fund Source and Net Assets of CCFC Funds for First 5 Programs and Activities**  
**Fiscal Year 2005/06**

		REVENUE CCFC funds	EXPENDITURES	CHANGE IN NET ASSETS	NET ASSET Beginning of yr.	NET ASSETS End of yr.
School Readiness Program	CCFC Program Funds	\$300,000	\$250,000	\$50,000	\$20,000	\$70,000
	County, Local Funds		\$250,000			
SR Implementation	CCFC Funds	\$100,000	\$100,000	\$0	\$0	\$0
CARES (1)	CCFC Program Funds	\$25,000	\$25,000	\$0	\$10,000	\$10,000
	County, Local Funds		\$90,000			
Health Access For All (1)	CCFC Program Funds	\$25,000	\$25,000	\$0	\$0	\$0
	County, Local Funds		\$100,000			
Preschool for All (1)	CCFC Program Funds	\$100,000	\$85,000	\$15,000	\$0	\$15,000
	County, Local Funds		\$400,000			
Special Needs	CCFC Program Funds	\$250,000	\$200,000	\$50,000	\$0	\$50,000
	County, Local Funds		\$200,000			
Administration	CCFC Funds	\$25,000	\$25,000	\$0	\$0	\$0
Travel	CCFC Funds	\$3,787	\$3,787	\$0	\$0	\$0
\$200 K minimum	CCFC Funds	\$150,000	\$140,000	\$10,000	\$5,000	\$15,000
Regional Technical Assist.	CCFC Funds	\$100,000	\$98,000	\$2,000	\$1,000	\$3,000
Statewide Conference	CCFC Funds	\$200,000	\$200,000	\$0	\$1,000	\$1,000
Other (list)	CCFC Funds	\$0	\$0	\$0	\$0	\$0
Other (list)	CCFC Funds	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CCFC FUNDS</b>		<b>\$1,278,787</b>	<b>\$2,191,787</b>	<b>\$127,000</b>	<b>\$37,000</b>	<b>\$164,000</b>

(1) CCFC reimburses a specified portion of program expenditures.